

State Representative

Kevin Ryan

Serving Bozrah, Franklin, Lebanon and Montville

2005 Update





BUDGET

At the beginning of the 2005 legislative session, the House of Representatives made a commitment to improve the quality of life of the people of the state of Connecticut. The adoption of the budget and tax package more than accomplishes that goal.

This year we have included \$142 million in increased town aid over the biennium, a 6% increase over last year. Increased funding includes Educational Cost Sharing (ECS), Special Education, Town Aid Road and PILOT funding for state property and colleges and hospitals.

The difficult economic times of the past few years have been particularly tough on the most needy in our state. We are happy to report that we have made great strides in restoring the essential programs our citizens need. For the first time in nearly 15 years, the pass-through of the Federal COLA disability payments to the blind, aged, and disabled is not deducted from state payments. Also, a Behavioral Health Partnership for children and their families has been developed.

Our commitment to education remains a strong one. In addition to the ECS and Special Education funding, we have provided funding for the largest expansion of the school readiness program since its creation. We also increased funding for magnet and charter schools and increased funding to UConn and the Connecticut State University and Regional Community Technical College systems.

In addition to these very important issues, this budget addresses myriad needs for our State:

- An additional \$750,000 added from the surplus for the "Save the Sub Base" effort (a total of \$1.5 million)
- \$2.3 million each year for additional Transportation Strategy Board projects
- Preservation of state funding for many of our most popular tourist attractions
- Restoration of the Summer Youth Employment Program
- \$250,000 for an Autism pilot program

A modest tax increase was necessary to help fund these programs. At the beginning of the session, it was our goal to adopt a tax package that did not place a large tax burden on the poor and middle class. We worked with the Governor to eliminate her proposed alcohol and cigarette taxes and replaced them with an estate tax on estates valued over \$2 million. We also imposed a small surcharge on Connecticut's corporations.

In an effort to provide assistance to our veterans, we exempted 50% of federally taxable military retirement pay from the state income tax beginning in 2008. The exemption applies to federal retirement pay to retired members of the U.S. Army, Navy, Air Force, Marines, Coast Guard, and Army and Air National Guard.

As we continue to struggle with rising property taxes, we have increased the property tax credit on the state income tax in income year 2006 from \$350 to \$400.

We also exempted the sale of textbooks and related workbooks to private occupational school students, and boat brokers' charges for selling boats on behalf of boat owners.

ECONOMIC DEVELOPMENT

GOVERNOR'S COMPETITIVENESS COUNCIL RECOMMENDATIONS

Increasing Connecticut businesses' competitiveness continued to be a priority for the General Assembly. Public Act 05-276 promotes job growth, creates economic opportunities in inner cities, and fosters better recruitment and retention of businesses to the state. The law reduces the threshold for direct investments through the Urban and Industrial Site Reinvestment Program from \$20 million to \$5 million to facilitate investment in smaller projects and to transfer tax credits to more than one taxpayer. Projects are also eligible under the Urban and Industrial Site Reinvestment Program if their total direct investment is \$2 million and involves the restoration and redevelopment of historic facilities for mixed uses that includes a minimum of four housing units.

The law also establishes two new Department of Economic and Community Development (DECD) programs that enhance Connecticut's entrepreneurial potential and productivity. One program targets students and residents in the inner cities on how market-based strategies will help entrepreneurial efforts turn a profit and generate new development. For small and medium manufacturers struggling in a highly competitive global economy, the second program will help identify new foreign markets for their products, help provide access to progressive manufacturing and advanced technologies, and create a virtual center for more efficient design and development of products.

ASSISTANCE FOR DEFENSE MANUFACTURERS' SUPPLIERS

As news of the proposed closure of US Naval Submarine Base-New London in Groton ricocheted across Connecticut, the entire General Assembly and the Governor immediately took action to address the situation. The General Assembly joined the bipartisan fight to save the base by providing \$10 million in bonding for necessary infrastructure improvements that would enhance the base's versatility and strategic importance to our national security.

Small- and medium-sized manufacturers that support Connecticut's large defense contractors will now have access to \$1 million in advanced training in new technologies, new facilities and equipment through the new collaborative center at the Connecticut Center for Advanced Technology (CCAT). (Public Act 05-143)

PLANS OF CONSERVATION AND DEVELOPMENT

The General Assembly passed legislation that promotes consistency in state, regional and municipal plans of conservation and development. Public Act 05-205 begins the process of incorporating the principles of "smart growth" into all levels of planning. The bill generally restricts state funding for growth-related projects to such areas and establishes new criteria for targeting state funding for such projects, but exempts libraries and property used for governmental purposes from the restrictions.

REGIONAL CHILDREN'S PROBATE COURTS

Too often children finding themselves in the children's probate courts are not properly identified early on and, as a result, end up in the juvenile justice or mental health systems without receiving the necessary services. This legislation, based on an enormously successful experimental program that opened in July 2004 in New Haven, would make the regional probate court permanent and establish six more regional children's probate courts under the same model. Thanks to this important legislation, these courts will be both efficient, by hearing more children's cases, and effective, by linking children and their families with support early on so their problems are less likely to progress and spiral out of control. (Public Act 05-225)

SOUTHEASTERN CONNECTICUT TOWNS TO RECEIVE ADDITIONAL MASHANTUCKET PEQUOT AND MOHEGAN FUND DOLLARS

The legislature took the first step in addressing the inequities of the Mashantucket Pequot and Mohegan fund distribution to southeastern Connecticut. In fiscal year 2007, the fund will increase for the first time in many years. One-third of the increase will be directed only to towns in southeastern Connecticut and Killingly, Putnam and Windham. The other two thirds of the increase will be distributed to all towns. The formula will also be permanently changed to move the grants to host towns, Ledyard, Montville, North Stonington, Norwich and Preston outside of the formula, so it will no longer be prorated when the grant is reduced. The Host Town Grant also increases by \$250,000 for a total of \$750,000.









NEW CELL PHONE RESTRICTIONS WHILE DRIVING

Public Act 05-159 restricts cell phone use and bans the use of some other electronic devices while operating a motor vehicle. Beginning October 1, drivers must use hands-free technology, with certain conditions and exceptions. Drivers are permitted to turn a cell phone on and off, dial and answer cell phones manually. While responding to an emergency situation, a driver may use either a hand-held or hands-free cell phone. Other electronic devices that drivers may no longer use include text messaging devices, pagers, personal digital assistants, video game devices, digital video disk players, laptop computers, and digital cameras. Emergency personnel, while performing their official duties, are exempt from the hands-free requirement.

The new law also: completely bans 16- and 17-year-old drivers from using a hand-held or hands-free cell phone while driving; prohibits school bus drivers from using any electronic device, including hands-free cell phones, while operating buses with passengers on board; and adds any type of distracted driving (for example, drinking coffee, putting on makeup) as a 'secondary' offense. A secondary violation means that drivers can be cited for that offense only if they were pulled over for another reason.

COMMITMENT TO EDUCATION

Incorporating several pieces of education legislation as well as implementing budget measures, Public Act 05-245 demonstrates House Democrats' continued commitment to quality education for all students. In particular, the law:

- Fosters communication of best practices from our charter schools, and requires the Department of Education to compile and distribute this information;
- Establishes a state education resource center with the school reform resource center to encourage innovative education practices:
- Increases the School Readiness reimbursement rate in both FY06 and FY07;
- Establishes the Early Childhood Education Cabinet to coordinate resources across agencies and promote quality among early childhood development and education programs;
- Increases the per-pupil grants to charter schools;
- Creates an Interdistrict Magnet School Task Force to study magnet school funding and operations;
- Provides for development of a kindergarten assessment tool;
- Increases the Capitol Scholarship Grant;
- Requires an audit of private occupational school protection accounts;
- Establishes a task force on the professionalization of the early childhood education and child care workforce:
- Creates an adult education initiative competitive grant program;
- Establishes a technology pilot program for 9th and 10th graders.

GOVERNMENT and ETHICS

In order to more effectively address ethics concerns and promote ethical behavior, the General Assembly voted to start fresh and create the Office of State Ethics (OSE) and the nine-member Citizen's Ethics Advisory Board as the successor to the State Ethics Commission. The new structure of the OSE divides the office into a legal and an enforcement division with a separate executive director, ethics enforcement officer and general counsel as it administers, teaches and enforces the Code of Ethics for Public Officials and Code of Ethics for Lobbyists.

In this new organization, the enforcement division will investigate complaints filed and initiated by the Citizen's Advisory Board. All probable cause hearings and determinations will be brought before a judge trial referee. Now, two-thirds of board members present and voting are needed to find an ethics violation and impose penalties. Finally, the bill requires that new staff fill the organization's positions. (Public Act 05-183)

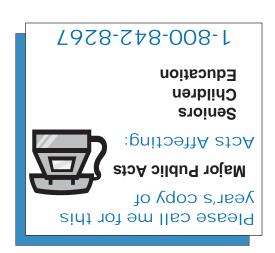












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HEALTH CARE

STATE'S RESPONSE TO FEDERAL MEDICARE PART D PRESCRIPTION PLANS

Public Act 05-280 takes steps to coordinate the new federal Medicare Part D Program, which takes effect January 2006, with the state's ConnPACE program. Beneficiaries must enroll in a Part D prescription plan, or the Social Services Commissioner will select a plan for them, if they wish to remain in the ConnPACE Program. No ConnPACE beneficiary will pay more than the current prescription co-payment and the annual registration fee for drugs not appearing on the Part D prescription plan's formulary. In addition, the Department of Social Services will become responsible for payment of Medicare Part D monthly premiums and deductibles, as well as prescriptions, during the gap in standard coverage.

MEDICAL MALPRACTICE INSURANCE REFORM

A comprehensive, bipartisan bill incorporates an array of solutions to expand access to health care and curtail the rising cost of medical malpractice insurance premiums in Connecticut. Among the law's provisions are revisions to the Offer of Compromise stage, in which plaintiffs and defendants review the Good Faith Certificate, a document that must be signed by a physician practicing in the same area of medicine, certifying that grounds exist for negligence of care. It is also during this stage that both sides shall attempt to settle for a certain sum. In order to implement safeguards against out-of-control premium increases, medical malpractice insurers seeking to raise premiums by 7.5% or higher would be required to inform their insureds, who are entitled to hold a public hearing prior to approval of the increase from the Department of Insurance. In order to strengthen patient safety practices, each hospital and outpatient surgical facility is required to develop accurate identification procedures to be used prior to surgery. Lastly, the legislation introduces continuing education for doctors, who must show a minimum of 50 contact hours of medical education within the preceding 24-month period. The legislation provides that if, by 2008, reforms included under this package fall short of aims to reduce the frequency and amount of awards and settlements, the Insurance Commissioner shall convene a working group to pursue alternatives to reducing medical malpractice insurance premiums. (Public Act 05-275)